



# Iowa Department of Human Services

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## INFORMATIONAL LETTER NO.1451

**DATE:** December 19, 2014

**TO:** Iowa Medicaid Hospice Agencies

**FROM:** Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

**RE:** Annual Update of Hospice Rates - Revised

**EFFECTIVE:** October 1, 2014

**\*\*\*\*\*This letter replaces Informational Letter No. 1442 dated October 1, 2014\*\*\*\*\***

Pursuant to 441 IAC 79.1(14), Medicaid hospice rates are based on the methodology used in setting Medicare rates for the categories of care provided with application of an appropriate area wage adjustment.

The Centers for Medicare and Medicaid Services (CMS) publishes Medicaid hospice payment rate changes annually for the following four levels of care:

<b>Medicaid Hospice Rates</b> <b>Effective October 1, 2014 – September 30, 2015</b>				
<b>Revenue Code</b>	<b>Description</b>	<b>Daily Rate</b>	<b>Wage Component Subject to Index</b>	<b>Unweighted Amount</b>
651	Routine Home Care	\$159.55	\$109.63	\$49.92
652	Continuous Home Care	\$930.27 (full rate = 24 hours of care/\$38.76 hourly rate)	\$639.19	\$291.08
655	Inpatient Respite Care	\$173.48	\$93.91	\$79.57
656	General Inpatient Care	\$708.77	\$453.68	\$255.09

The daily rate is broken out into two components. The wage component of the rate is adjusted by an appropriate wage index to reflect geographical differences in area wage levels. The link to the hospice rates shown on the [Fee Schedules](https://dhs.iowa.gov/ime/providers/csrp/fee-schedule)<sup>1</sup> webpage are adjusted by an appropriate wage index that reflects the geographical differences in wage levels within the state and in bordering areas. The unweighted amount is the portion of the daily rate that is

<sup>1</sup> <https://dhs.iowa.gov/ime/providers/csrp/fee-schedule>

not adjusted by the wage index.

### **Wage Indexes**

Annual updates to the hospice wage indices were published in the Federal Register (Volume 79, Number 156) on August 22, 2014. The published wage indices are based on the most current available wage data as well as changes implemented by the Office of Management and Budget (OMB) to the definitions of Metropolitan Statistical Areas (MSAs), which are superseded by Core Based Statistical Areas (CBSAs). For Federal Fiscal Year (FFY) 2015, the full CBSA-based wage index values have been used.

### **Room and Board Payments**

The room and board payment for hospice residents residing in nursing facilities is 95 percent of the associated nursing facility's daily rate.

### **Hospice Quality Data**

Hospice providers are required to comply with Section 3004 of the Affordable Care Act (ACA) and the implementing regulation 78 FR 48234 (August 7, 2013). This section requires that hospice providers comply with the quality data submission requirements. CMS has published rates indicating different payment levels for hospice providers that **have** submitted the required quality data and hospice providers that **have not** submitted the required quality data. Iowa will be using the rates published for hospice providers that **have** submitted the required quality data for the FFY beginning October 1, 2014.

Claims for dates of service beginning October 1, 2014, through November 30, 2014, received by the IME before November 30, 2014, were made at the lesser rates. Adjustments for those claims will be initiated by the IME and reprocessed during December 2014.

Claims received by the IME after December 1, 2014, for dates of service beginning October 1, 2014, will pay at the daily rates listed above.

### **Additional Information**

Questions relating to this Informational Letter may be directed to the IME Provider Services Unit at 1-800-338-7909 or locally in Des Moines at 515-256-4609 or by email at [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us).